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*Proposed Counsel for the Official Committee  
of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

In re:

Case No. 19-30088 (DM)

PG&E CORPORATION

Chapter 11

-and-

(Lead Case)

# PACIFIC GAS AND ELECTRIC COMPANY.

(Jointly Administered)

Debtors.

- Affects PG&E Corporation
- Affects Pacific Gas and Electric Company
- Affects both Debtors

**STATEMENT OF THE OFFICIAL  
COMMITTEE OF UNSECURED  
CREDITORS IN SUPPORT OF THE  
FINAL APPROVAL OF THE DEBTORS'  
DIP MOTION**

\* All papers shall be filed in the Lead Case.  
No. 19-30088 (DM)

1 The Official Committee of Unsecured Creditors (the “Committee”) appointed in  
2 the above-captioned chapter 11 cases of PG&E Corporation and Pacific Gas and Electric  
3 Company (together, the “Debtors”), by its proposed attorneys, Milbank LLP, hereby submits this  
4 statement (the “Statement”) in support of the final approval of the *Motion of Debtors Pursuant to*  
5 *11 U.S.C. §§ 105, 362, 363, 364, 503 and 507, and Fed. R. Bankr. P. 2002, 4001, 6003, 6004*  
6 *and 9014 for Interim and Final Orders (I) Authorizing the Debtors to Obtain Senior Secured,*  
7 *Superpriority, Postpetition Financing, (II) Granting Liens and Superpriority Claims,*  
8 *(III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing and (V) Granting Related*  
9 *Relief* [Docket No. 23] (the “DIP Motion”). In support of the Statement, the Committee  
10 respectfully represents as follows:

## STATEMENT

12       1. Having thoroughly reviewed the proposed financing, the Committee supports the  
13 final approval of the DIP Motion. The legal and financial diligence conducted by the Committee  
14 confirmed that the Debtors require the proposed financing and that such financing is “market”  
15 for facilities of this type and magnitude and consistent with DIP financings approved in recent  
16 large cases. In fact, the terms of the proposed financing generally are favorable to the Debtors  
17 and contain few case controls or restrictive covenants that have been common in many recent  
18 DIP loans. Moreover, the effect of the rights granted to the DIP Lenders in the event of a  
19 default and in respect of marshaling are as a practical and legal matter limited in light of the  
20 regulatory environment in which the Debtors operate—the CPUC and FERC will continue to  
21 maintain jurisdiction over the Debtors’ businesses—and are otherwise common for new money  
22 financing packages. The Committee further notes that the waivers of certain protections  
23

available to the Debtors, such as the ability to surcharge the secured lenders' collateral, are also common in new money DIP financing packages.

2. In response to the Tort Claimants Committee's objection to the DIP financing, the Debtors object to the Tort Claimants Committee's suggestion of paying certain pre-petition unsecured creditors as part of the DIP financing. The Committee agrees with the Debtors. Such a payment would contravene two foundational elements of our country's bankruptcy law: (i) general unsecured pre-petition claims should be classified, treated, and paid pursuant to a confirmed plan of reorganization and (ii) claims of equal rank and priority should be treated similarly. While the Committee believes and will work tirelessly towards a goal of payment in full for all unsecured creditors, including those represented by the Tort Claimants Committee, the DIP financing is certainly not the vehicle for mandating the payment of some general unsecured claims, but not others.

3. Accordingly, the Committee supports the entry by the Court of an order approving the DIP Motion on a final basis and overruling the objections to the DIP Motion.

DATED: March 12, 2019

MILBANK LLP

/s/ Dennis F. Dunne

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